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TO: Economic Support Supervisors  
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W-2 Agencies  
Workforce Development Boards  
Job Center Leads and Managers

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**BEM/DWS OPERATIONS MEMO**

No: 05-07 Corrected 2/8/05

DATE: 01/27/2005

FS	<input checked="" type="checkbox"/>	MA	<input type="checkbox"/>	SC	<input type="checkbox"/>
CTS	<input type="checkbox"/>	CC	<input type="checkbox"/>	W-2	<input type="checkbox"/>
FSET	<input type="checkbox"/>	EA	<input type="checkbox"/>	CF	<input type="checkbox"/>
JAL	<input type="checkbox"/>	JC	<input type="checkbox"/>	RAP	<input type="checkbox"/>
WIA	<input type="checkbox"/>	Other	EP	<input type="checkbox"/>	★

**PRIORITY: HIGH**

SUBJECT: **Overissuance and Underissuance Calculations for FoodShare Cases  
Subject to Reduced Reporting**

**CROSS REFERENCE:** FoodShare Wisconsin Handbook 6.1.1.2, 6.1.2, 6.1.4,  
7.3.2, 7.4.1.2, and 8.3.12

**EFFECTIVE DATE:** Upon release of this memo

**PURPOSE**

This memo outlines a policy change regarding the procedure for calculating over and under issuance of FoodShare benefits on cases subject to reduced reporting requirements.

**BACKGROUND**

Reduced reporting policy requires most FoodShare (FS) food units to report changes between certification reviews and interim reporting only when the changes cause the gross income for the food unit to exceed its 130% Federal Poverty Level (FPL) income limit. Reduced reporting does not apply to food units where all members of the food unit are elderly, blind or disabled and have no reported earnings.

This policy change aligns the overissuance or underissuance calculation process with the reduced change reporting policy.

## **POLICY**

Under current policy, if any overissuance or underissuance is found, the worker must calculate the claim or restoration using the food unit's actual income and reported expenses for each month of the adjustment period.

### **NEW POLICY**

If any overissuance or underissuance is found, the worker must calculate the claim or restoration using the food unit's actual income and expenses reported or required to be reported for each month of the adjustment period.

In calculating an overissuance or underissuance of FS benefits:

- Use the actual income amounts for any reported source of income.
- Use the actual amounts for a source of income, if the source of income was unreported, but was required to be reported.
- Do not use the income in the calculation, if the source of income was not reported and was not required to be reported.
- The same policy applies to expenses.

**Example 1:** At Mary's last review on June 5, her caseworker Joann, miscalculated Mary's income and budgeted just \$400 per month instead of the \$800 per month that Mary reported. The food unit's change reporting limit for 3 food unit members was correctly determined at \$1,628.

When Mary submits her SMRF on December 5, Joann discovers her error and attempts to calculate the overissuance for the period July through December. While reviewing Mary's actual income for the overissuance period, Joann finds that Mary started a second job on August 1, from which she earned \$600 per month.

**Evaluation:** To calculate the overissuance for the months July through December, Joann must:

- Budget actual income of \$800 from the reported job for each month of July through December.
- NOT BUDGET the income from the second job. The income did not cause the food unit to exceed its reduced change reporting income limit. Mary was not required to report the change until her next SMRF, which she did. The use of income from that second job would undermine reduced reporting policy that Mary followed and had a right to rely upon. Joann must not include the income from the second job in the calculation.

**Example 2:** At Susan's last recertification review on April 3, she reported earnings of \$500 per month and monthly rent of \$900 for the 2-bedroom apartment she occupied with two of her children, ages 12 and 14. Jenny, her caseworker, inadvertently budgeted \$700 rent instead of the \$900 reported by Susan. On April 10, Susan's hours were cut and her income dropped to \$200 per month. Then on May 12, Susan's 20 year-old son John moved into the apartment. He was earning \$500 per month. On July 2, John changed jobs and he started earning \$1,200 per month. Susan's hours also increased on July 6 and her monthly income increased to \$400. Jenny received Susan's SMRF on October 4 on which Susan reported an income of \$1,600 per month for a food unit of 4. Susan also provided adequate verification of all changes. While reviewing Susan's file when processing the SMRF, Jenny found the error in the amount of her past rent.

**Evaluation:** Jenny must calculate an underissuance or overissuance amount for the entire period May through October using:

- The actual rent of \$900 for each month.
- The income from Susan's reported job adjusted to \$200 for May through July and then increased to \$400 for August through October. Although Susan was not required to report changes in income from her job, the job source had been reported at her last recertification review and actual income from that job source must be used in the calculation of the underissuance or overissuance.
- **Jenny must not use John's income in the calculation.** None of the changes caused the food unit's gross income at any time to exceed the 130% FPL change reporting limit of \$1,698 for a food unit of 3. (John's move into the apartment does not increase the change reporting limit to that for a food unit of 4 until he is actually added to the food unit following Susan's SMRF.) Susan was not required to report any of the changes regarding her son moving in or his income that occurred after her last review. Consequently, those changes that had not been reported at her last review and were not required to be reported, must not be used in the calculations of claims or restorations.

If the combined income of Susan and John had been over \$1,698, Susan would have been required to report all changes, including John's move into the food unit and his income, by **August 10<sup>th</sup>** for a redetermination of eligibility and benefits effective September 1.

**Example 3:** Jim received FoodShare benefits for himself only. At his last review on September 5, he reported wages of \$600 per month from his job at McDonald's. He also reported his rent at \$600 per month. However, at review Jim failed to report earnings of \$200 per month from a second job at Joe's Garage.

On November 1, a friend moved into his apartment. They split the rent equally, but did not eat together or share food expenses. On December 6, Jim went full-time at McDonald's and his monthly income from that job increased to \$1,240.

On February 8, Jim's caseworker, Sally, learned about Jim's increased wages at McDonald's and his part-time wages from Joe's Garage. Sally, entered the wage information into CARES and Jim's FS case closed effective March 1 because the combined income exceeded the reduced change reporting income limit for a food unit of 1.

**Example 3 Continued:**

**Evaluation:** Jim received an overissuance beginning October 1 and running through February. To calculate the overissuance, Sally must budget:

- Jim's actual earned income of \$800 for the months of October through January. In addition to his \$600 earnings from McDonald's, he should have reported his \$200 earnings from the part-time job at his last review in September. No earned income deduction should be applied to the \$200 unreported wages during that period.
- Rent expense of \$600 per month for September through November.
- Reduced rent expense of \$300 per month for December through February.
- Because Jim's income increased to \$1,440 in December, well above the 130% FPL of \$1,009 for a food unit of 1, Jim was required to report all of his changed income by January 10<sup>th</sup> for a re-determination of eligibility and benefits effective February 1. Consequently, all FS benefits issued in February is overissuance.

**CONTACTS**

BHCE CARES Information & Problem Resolution Center

★Program Categories – FS – FoodShare, MA – Medicaid, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – Food Stamp Employment and Training, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC – Job Center Programs, RAP – Refugee Assistance Program, WIA – Workforce Investment Act, Other EP – Other Employment Programs.